

STATE OF CALIFORNIA
CONSUMER POWER AND CONSERVATION FINANCING AUTHORITY



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**CALIFORNIA POWER AUTHORITY AND THE
FLEX YOUR POWER CAMPAIGN LAUNCH NEW ENERGY
PARTNERSHIP PROGRAM FOR THE SUMMER**

*Businesses, Local Governments and State - Partners in a Statewide
Clean Energy Reserves Program*

SACRAMENTO – Building on last summer’s successful campaign to reduce energy consumption and avoid blackouts, the California Power Authority is teaming up with the Flex Your Power Campaign to target businesses, local governments, and water districts throughout the state to participate in a new Demand Reserves Partnership Program that will provide up to 1000 MW of clean energy reserves.

“Last year California’s businesses and government at all levels responded to energy shortages by conserving energy in record amounts,” said Governor Gray Davis. “The state’s new Demand Reserves Partnership Program sustains and expands upon their successful energy reduction track record to meet the State’s energy needs for the summer and into the future. This will be good for businesses and California.”

The Flex Your Power Team and the Power Authority will reach out to governments and businesses such as shopping malls, retail stores, cities, counties, water districts and manufacturing companies to participate by “shaving their load” on short notice or reducing the amount of electricity they use in exchange for a monthly reservation fee. This reduction in energy consumption will provide the State Department of Water Resources (DWR) with reserve capacity as a substitute for purchases of power DWR would otherwise make from fossil-fueled power plants.

Operating in the wholesale energy market, the Demand Reserves Partnership Program is the first large-scale program of its kind in the nation that accepts demand reduction as a substitute for power plant operation. This five-year program uses advanced automation technology to reduce demand only as much as the system needs while allowing businesses, governments and others to operate without disruptions and maintain their normal business activities.

“We are building a totally clean negawatt peaker one business at a time. If additional electricity is needed, participants reduce their demand in place of generators starting up fossil fueled power plants,” said S. David Freeman, Chairman of the California Power Authority. “This program will lower electricity costs to the state and increase the State’s power system reliability.”

The California Power Authority was created (SB 6X) last year to provide consumers insurance against future electricity price spikes and blackouts. The Demand Reserves Partnership program meets the Power Authority’s Clean Growth strategy by providing the State with clean, reliable and affordable energy.

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